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**62nd Legislature
Jobs Listening Session
January 8, 2011**

As a 56 year-old Montana company with 140 employees, Blackfoot Telecommunications Group is dedicated to helping sustain and create good paying jobs in our state. The issues listed below are critical to companies like Blackfoot as we seek to expand our businesses and compete in the current and future economies.

- **Workers' Compensation**
 - Safety training, auditing and enforcement can help alleviate the high worker injury rate in Montana. Blackfoot has a good safety history, but it's not flawless.
 - Revisit the original social compact that led to the Workers' Compensation system, and allow coverage only for truly work-related injuries.
 - Subrogation is a complicated, but necessary issue to address. Montana companies, and insurers, should not be carrying 100% of the liability for work related injuries caused by others.
- **Government Competition**
 - The government's goal, and role, should be to encourage the expansion of private industry.
 - Government competition with the private sector is in direct conflict with that goal.
 - Privatize where possible
 - Do not fund government projects, such as extensive fiber optic builds and data centers, that directly compete with private industry unless private industry is unable and/or unwilling to meet the State's needs
- **Centrally Assessed Property Taxes**
 - We need to promote stability and predictability for centrally assessed taxes.
 - The current assessment system of multiple valuation methodologies causes variations from year to year that are arbitrary and do not directly relate to what is being taxed – property.
 - Simplify, and provide stability to, the centrally assessed tax system by simply basing taxes on what is being taxed – property. This can be done by using the depreciated book value of taxable assets.



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THANK YOU, MR. CHAIRMAN, AND MEMBERS OF THE SENATE AND HOUSE OF REPRESENTATIVES, FOR CONVENING THIS VERY IMPORTANT LISTENTING SESSION. AS A CITIZEN AND MONTANA BUSINESS PERSON, IT'S GRATIFYING TO SEE THE BIPARTISAN INTEREST IN HEARING FROM THOSE OF US IN THE TRENCHES, TRYING TO BOTH PRESERVE THE BUSINESS AND JOBS WE HAVE BUILT, AND EXPAND THOSE BUSINESS AND ADD JOBS TO OUR PAYROLL.

MY NAME IS BILL SQUIRES. I AM THE SENIOR VICE PRESIDENT OF BLACKFOOT TELECOMMUNICATIONS GROUP HEADQUARTERED IN MISSOULA. I ALSO HAVE THE PRIVLEDGE OF SERVING AS THE PRESIDENT OF THE MONTANA TELECOMMUNICATIONS ASSOCIATION BOARD OF DIRECTORS. BUT MY COMMENTS TODAY ARE ON BEHALF OF BLACKFOOT TELECOMMUNICATIONS ONLY.

I HAVE PROVIDED YOU WITH A COVER PAGE WHICH SUMMARIZES MY COMMENTS. ATTACHED TO THAT SUMMARY IS A BRIEF DESCRIPTION OF BLACKFOOT TELECOMMUNICATIONS. IN SHORT, WE ARE A 56 YEAR OLD COMPANY, EMPLOYING 140 MONTANANS WITH AN ANNUAL PAYROLL OF OVER \$14 MILLION DOLLARS. AS A DIVERSIFIED TELECOMMUNICATIONS COMPANY, WE PROVIDE STATE-OF-THE-ART VOICE AND BROADBAND SERVICES THROUGHOUT WESTERN MONTANA, ALONG WITH SPECIALIZED SOFTWARE FOR THE TELECOMMUNICATIONS INDUSTRY.

I HAVE ALSO ATTACHED TO MY SUMMARY COMMENTS A STATE MAP WHICH SHOWS THE EXTENSIVE NETWORK OF THE INDEPENDENT TELECOMMUNICATIONS COMPANIES IN THE STATE. IT RIVALS ANY NETWORK IN ANY STATE IN THE UNION.

ALTHOUGH MY SUMMARY REFLECTS THREE TOPICS, I WANT TO BE COGNIZANT OF THE TIME ALLOTTED, AND ADDRESS TWO SPECIFIC TOPICS THIS MORNING.

1. WORKERS' COMPENSATION – THIS MUST BE A PRIORITY FOR THIS SESSION, AND THIS STATE. IT IS A THEME I THINK YOU WILL HEAR OVER AND OVER TODAY.

MY COMPANY HAS THE DUBIOUS DISTINCTION OF BEING KNOWN AS THE COMPANY WITH THE DOGGY BATHROOM BREAK CASE. MANY OF YOU MAY HAVE HEARD FROM ME TWO YEARS AGO

WHEN I APPEARED BEFORE YOU TO SUPPORT A REALTIVELY MINOR CHANGE TO THE WORKERS' COMPENSATION STATUTES. YOU SEE, WE HAD AN EMPLOYEE THAT LEFT OUR PREMISES ON A BREAK, IN HER OWN VEHICLE, TO GO HOME TO LET HER DOG OUT TO RELIEVE ITSELF. WHEN RETURNING TO THE OFFICE, THIS EMPLOYEE WAS REARENDED BY ANOTHER DRIVER. ULTIMATELY WE, AND OUR COMP CARRIER, WERE HELD LIABLE FOR ALL RELATED INJURIES, LOSS OF INCOME, ETC.

THIS CASE HIGHLIGHTS TWO PROBLEMS – ONE, THAT THE SOCIAL COMPACT THAT LED TO THE DEVELOPMENT OF THE WORKERS' COMPENSATION SYSTEM HAS GONE AWRY. I CAN'T BELIEVE THAT ANYONE WOULD HAVE ENVISIONED THAT WORKERS' COMPENSATION WOULD COVER AN EMPLOYEE THAT, ON HER OWN, IN HER OWN VEHICLE, WENT TO LET HER DOG OUT TO DO HIS DOGGY BUSINESS AND WAS INJURED IN AN AUTO ACCIDENT THAT HAD ABSOLUTELY NOTHING TO DO WITH HER EMPLOYMENT.

THIS EXAMPLE ALSO HIGHLIGHTS ANOTHER PROBLEM – ADMITTEDLY A VERY COMPLEX LEGAL PROBLEM – BUT ONE THAT ADDS ENORMOUS EXPENSE TO OUR STATE'S WORKERS' COMPENSATION RATES. UNDER CURRENT LAW, IT IS VIRTUALLY IMPOSSIBLE FOR US, AND OUR COMP CARRIER, TO SEEK SUBROGATION FROM THE WRONG-DOER. IN THE DOGGY CASE, WE COULD NOT GO AFTER THE DRIVER THAT CAUSED THE ACCIDENT AND SEEK REIMBURSEMENT FOR OUR EMPLOYEE'S INJURIES. IN A SIMILAR SITUATION, WE RECENTLY HAD AN

EMPLOYEE THAT WAS INJURED BY THE NEGLIGENCE OF A WASHINGTON DRIVER. BUT, THAT DRIVER GETS AWAY SCOT FREE! IT IS NOT WORTH THE EFFORT TO SEEK SUBROGATION, OR REIMBURSEMENT, FROM THAT DRIVER OR ITS INSURANCE CARRIER. THIS JUST DOESN'T MAKE SENSE.

WE HAVE TO FIND SOME REASONABLNESS IN OUR WORKERS' COMPENSATION LAWS. MAKE SURE THAT COMPENSATED INJURIES DID IN FACT OCCUR IN THE COURSE AND SCOPE OF EMPLOYMENT, AND FIND A WAY TO ALLOW US AND OUR CARRIERS TO SEEK REIMBURSEMENT FOR THE RESPONSIBLE PARTIES.

2. GOVERNMENT COMPETITION: ITS TOUGH OUT THERE. IT'S EVEN TOUGHER WHEN WE ARE COMPETING AGAINST OUR OWN STATE GOVERNMENT.

OUR INVESTMENT, AND OUR ABILITY TO ADD JOBS, ARE PLACED AT RISK WHEN GOVERNMENT PROGRAMS DUPLICATE EXISTING NETWORKS OR PROVIDE SERVICES WHICH DIVERT TRAFFIC AND INVESTMENT FROM PRIVATE COMPANIES.

UNFORTUNATELY THERE'S PROBABLY NOT A LOT WE CAN DO AT THIS POINT ABOUT THE ILL-ADVISED FEDERAL BROADBAND STIMULUS GRANTS THAT COMPLETELY DUPLICATED EXISTING FACILITIES AND WASTED TAX PAYER DOLLARS, LIKE THE MONTANA OPTICOM PROJECT OUTSIDE OF BOZEMAN.

BUT, WE CAN DO SOMETHING ABOUT OUR OWN STATE GOVERNMENT COMPETING WITH PRIVATE INDUSTRY. FOR INSTANCE, IN HB4 PASSED IN 2007 THE NORTHERN TIER FIBER PROJECT, OSTENSIBLY TO BE USED FOR UNIVERSITY RESEARCH, WAS RESTRICTED FROM COMPETING WITH PRIVATE INDUSTRY. THERE HAVE BEEN EFFORTS TO SIDESTEP THOSE RESTRICTIONS, AND THIS LEGISLATURE SHOULD NOT LET THAT HAPPEN. SIMILARLY, STATE GOVERNMENT SHOULD FIRST LOOK TO THE PRIVATE SECTOR BEFORE SPENDING MILLIONS ON VIDEO SERVICES, DATA STORAGE CAPABILITIES, AND INTERNET SERVICES.

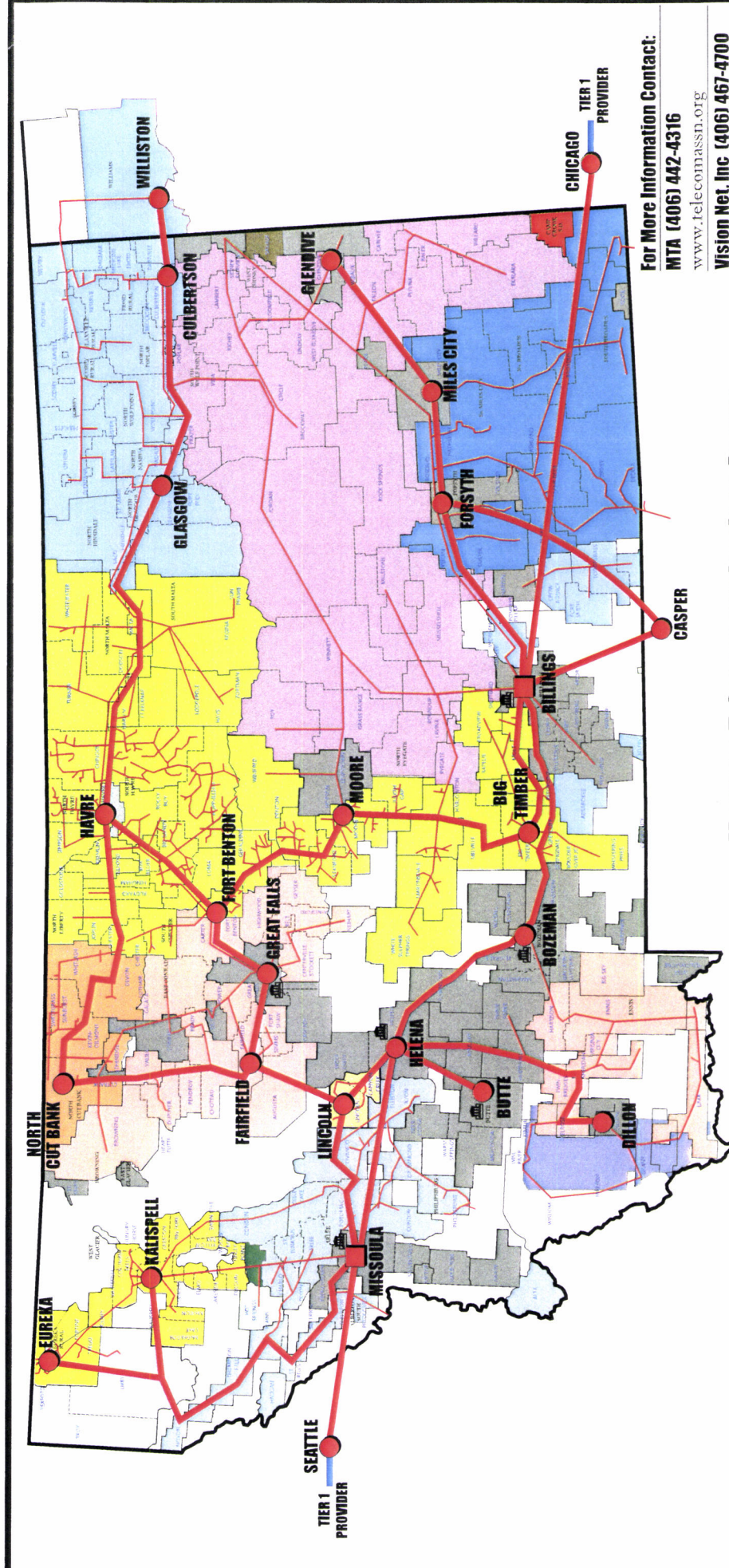
AVOID PROGRAMS WHICH THREATEN PRIVATE INVESTMENT, AND PROMOTE POLICIES WHICH LEVERAGE THAT PRIVATE INVESTMENT.

THANK YOU VERY MUCH FOR THIS OPPORTUNITY, AND YOUR ATTENTION. MY CONTACT INFORMATION IS ON MY SUMMARY SHEET, AND I'M ALWAYS WILLING TO GO INTO GREATER DETAIL ON MY CONCERNS.

I WISH YOU ALL THE BEST AS YOU WORK FOR ALL OF US DURING THIS SESSION.



- MONTANA OWNED AND OPERATED SINCE 1954
- 140 EMPLOYEES
- ANNUAL PAYROLL EXCEEDING \$14 MILLION
- EMPLOYEE BENEFITS INCLUDE HEALTH INSURANCE, DEFINED BENEFIT RETIREMENT, AND 401K PLANS
- \$1 MILLION IN PROPERTY TAXES PAID IN 2010, IN ADDITION TO LICENSING OVER 50 VEHICLES LOCALLY
- DIVERSIFIED MONTANA TELECOMMUNICATIONS COMPANY WITH STATE OF THE ART ETHERNET BACKBONE TRANSPORT NETWORK AND NEW GENERATION SWITCHING
- OWNER OF TELESPIHERE SOFTWARE, INC., A SOFTWARE DEVELOPMENT AND MARKETING FIRM FOCUSED ON THE TELECOMMUNICATIONS INDUSTRY
- CO-OWNER OF VISION NET, INC., WHOSE SUITE OF PRODUCTS AND SERVICES INCLUDES: BROADBAND NETWORK TRANSPORT; WORLDWIDE VIDEO CONFERENCING; A RANGE OF INTERNET SERVICES; CUSTOMIZED WIDE AREA NETWORK MANAGEMENT; AND A 24 X 7 CALL CENTER DELIVERING INTERNET AND NETWORK TECHNICAL ASSISTANCE SUPPORT NATIONWIDE.



For More Information Contact:
MTA (406) 442-4316
www.telecomassn.org
Vision Net, Inc (406) 467-4700
www.vision.net

Montana Telecommunications Assets

INTERNET PEERING POPS TIER 1 INTERNET BLACKFOOT TELECOMMUNICATIONS GROUP NEVIMONT TELEPHONE COOPERATIVE / PROJECT TELEPHONE COMPANY TRIANGLE TELEPHONE COOPERATIVE / CENTRAL MONTANA COMMUNICATIONS	EXISTING NODE VISION NET NETWORK (UP TO 10G CAPACITY) RESERVATION TELEPHONE COOPERATIVE RANGE TELEPHONE COOPERATIVE LINCOLN TELEPHONE COMPANY INTERBEL TELEPHONE COOPERATIVE	ICONNECT FIBER HOTEL EXISTING INDEPENDENT CO. FIBER OPTICS MID-RIVERS COMMUNICATIONS FRONTIER TELECOMMUNICATIONS 3 RIVERS COMMUNICATIONS RONAN TELEPHONE COMPANY	HOT SPRINGS TELEPHONE COMPANY SOUTHERN MONTANA TELEPHONE COMPANY CENTURYLINK NORTHERN TELEPHONE COOPERATIVE WEST RIVER COOP TELEPHONE COMPANY QWEST COMMUNICATIONS UNASSIGNED AREA
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